

147 FERC ¶ 61,062
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

April 23, 2014

In Reply Refer To:
Wyoming Interstate Company,
L.L.C.
Docket No. RP14-703-000

Wyoming Interstate Company, L.L.C.
PO Box 1087
Colorado Springs, CO 80944

Attention: Francisco Tarin, Director
Regulatory Affairs

Reference: Temporary Waiver Request

Dear Mr. Tarin:

1. On March 31, 2014, Wyoming Interstate Company, L.L.C. (WIC) filed a request for a limited temporary waiver of two provisions of the General Terms and Conditions (GT&C) of its FERC Gas Tariff, Third Revised Volume No. 2, as well as the Commission's capacity release regulations, to allow WIC to enter into non-biddable pre-arranged permanent release arrangements of off-system capacity that it holds on Questar Overthrust Pipeline Company (Overthrust) and Rockies Express Pipeline, L.L.C. (REX). In addition, WIC requests limited temporary waiver of a provision of Overthrust's GT&C. For good cause shown, the Commission grants the requested waivers, effective upon issuance of this order and for 90 days thereafter.

2. WIC states that it currently holds off-system capacity on Overthrust and REX on behalf of certain shippers that entered into firm transportation service agreements (FTSA) with WIC for service to points of delivery on Overthrust and REX. WIC further states that Marathon Oil Company (Marathon) has requested that WIC pursue non-biddable, pre-arranged permanent releases of WIC's off-system capacity so that Marathon will be the direct holder of capacity on Overthrust and REX. WIC states that it received a similar limited temporary waiver from the Commission on October 24, 2012, but Marathon was unable to complete the contractual restructuring within the waiver period

due to administrative difficulties.¹

3. In order to facilitate the non-biddable permanent capacity release to Marathon, WIC requests waiver of GT&C sections 9.6(a) and 9.13(b) of its tariff. In addition, WIC requests waiver of the Commission's capacity release regulations at 18 C.F.R. section 284.8. WIC states that the waivers are necessary because none of the FTSA's with Overthrust or REX are priced at WIC's maximum mainline recourse rate.² WIC states that waiver is warranted since it will preserve the original intent of the transactions between WIC and Marathon whereby WIC acquired off-system capacity for Marathon. WIC further states that no similarly-situated shippers on its system will be impacted as Marathon will pay the same transportation charges after the permanent release as it currently pays.

4. Additionally, WIC seeks a waiver of section 6.10(d) of the GT&C of Overthrust's FERC Gas Tariff, Third Revised Volume No. 1-A. WIC explains that this provision restricts a bidding shipper from bidding a reservation charge higher than the maximum reservation charge. WIC states that Overthrust has authorized it to request this waiver so that the parties may complete the permanent release transactions as efficiently as possible.

5. Public notice of the filing was issued on April 1, 2014. Interventions and protests were due on or before April 7, 2014, as provided by the notice. Pursuant to Rule 214, 18 C.F.R. § 385.214 (2013), all timely motions to intervene and any unopposed motions to intervene out-of-time filed before the issuance date of this order are granted. Granting late intervention at this stage of the proceeding will not disrupt this proceeding or place additional burdens on existing parties. WIC's request for waivers is unopposed.

6. The Commission finds that WIC's request for waivers is adequately supported and may be granted, consistent with previous waivers that the Commission has granted to permit permanent release of capacity under similar circumstances. The Commission only requires a pipeline to allow a permanent capacity release where the pipeline will be financially indifferent to the release. Where, as here, the releasing shipper is paying negotiated rates that are higher and lower than the maximum rate in its tariff, waiver of the maximum rate is necessary to render the pipeline financially indifferent to the release. Therefore, denial of a waiver request in these circumstances would unnecessarily inhibit the use of permanent releases to transfer capacity which the releasing shipper no longer

¹ *Wyoming Interstate Company, L.L.C.*, 141 FERC ¶ 61,059 (2012).

² WIC states that the transportation rate it pays to Overthrust is less than WIC's maximum recourse rate while the transportation rate it pays to REX is greater than WIC's maximum recourse rate.

needs to a shipper that does need it. Accordingly, the Commission will grant temporary, limited waiver of its capacity release regulations and specified provisions of WIC's and Overthrust's GT&Cs to allow the permanent release of the capacity.

7. Specifically, the Commission grants limited, temporary waiver of 18 C.F.R. sections 284.8(b)(2) and 284.8(h)(1) of its regulations, which govern the release of firm capacity and the posting and bidding requirements for capacity release transactions, as well as the prohibition on the release of capacity at a rate above the maximum recourse rate. In addition, the Commission grants limited, temporary waiver of GT&C sections 9.6(a) and 9.13(b) of WIC's tariff and GT&C section 6.10(d) of Overthrust's tariff to permit the permanent release of capacity by WIC to Marathon. The waivers shall remain in effect up to 90 days past the effective date of this order to allow the parties to complete all necessary contractual obligations.

By direction of the Commission.

Kimberly D. Bose,
Secretary.